



Drumbeat: January 14, 2013

Posted by [Leanan](#) on January 14, 2013 - 10:03am

[The Great Oil Swindle](#)

Delving deeper into the available data shows that we are already in the throes of a global energy transition in which the age of cheap oil is well and truly over. For most serious analysts, far from signifying a world running out of oil, "peak oil" refers simply to the point when, due to a combination of below-ground geological constraints and above-ground economic factors, oil becomes increasingly and irreversibly more difficult and expensive to produce.

That point is now. U.S. Energy Information Administration (EIA) data confirms that despite the United States producing a "total oil supply" of 10 million barrels per day (up by 2.1 mbd since January 2005), world crude oil production remains on the largely flat, undulating plateau it has been on since it stopped rising that very year at around 74 million barrels per day (mbd). According to John Hofmeister, former president of Shell Oil, "flat production for the most part" over the last decade has dovetailed with annual decline rates for existing fields of about "4 to 5 million bpd." Combined with "constant growing demand" from China and emerging markets, he argues, this will underpin higher oil prices for the foreseeable future.

[America, the Saudi Arabia of tomorrow](#)

The days when Mideast oil-producing dictatorships and their friends at OPEC could so easily wave their power over a trembling, oil-thirsty West are on their way to becoming a relic of the past.

America still needs imported oil. But growing production and shrinking consumption have created a most promising trend. According to the International Energy Agency, the United States will become the world's leading oil producer in just a few years. Imagine that. The United States will produce more oil than Saudi Arabia by about 2020 and become a net oil exporter by 2030.

[California could be next oil boom state](#)

California is sitting on a massive amount of shale oil and could become the next oil boom state. But only if the industry can get the stuff out of the ground without upsetting the state's powerful environmental lobby.

[Saudi Arabia Says Oil Production Cut Not Designed to Boost Price](#)

Saudi Arabia denied what it said were suggestions that it cut oil production in December to push crude prices higher and accused unidentified media of misinterpreting the kingdom's response to weaker demand.

The world's biggest crude exporter is "strongly committed to a stable oil market" and is "optimistic that economic uncertainties will pass and growth will resume in 2013," Ibrahim Al-Muhanna, an adviser to Oil Minister Ali al-Naimi, said today in a statement e-mailed to energy journalists.

[IEA Head Doesn't See Further Decline in Crude Production](#)

The head of the International Energy Agency Maria Van der Hoeven said Monday she doesn't see a further decline in global crude production in 2013, after top oil exporter Saudi Arabia made its deepest cut in almost three years.

[WTI Oil Trades Near Four-Month High on Seaway Pipeline Expansion](#)

Oil traded near a four-month high in New York, narrowing its discount to Brent crude to the least since September, after the expansion of a pipeline that may reduce a glut in the U.S. Midwest.

[Gas prices rise 6 cents; first time since October](#)

The average price for a gallon of regular gasoline in the United States rose in the last three weeks for the first time since early October, as U.S. refineries passed on the cost of higher crude oil prices, according to a widely followed survey released on Sunday.

Gasoline prices averaged \$3.3247 per gallon on Jan. 6, up 6.68 cents from Dec. 21, said Trilby Lundberg, editor of the Lundberg Survey.

[Consumers cautiously optimistic over lower gas prices](#)

Nationally, the outlook for gas prices in 2013 is bright barring any unforeseen circumstances like major storms, wars or production and distribution interruptions, according to AAA President and Chief Executive Officer Robert Darbelnet.

Gas prices should be lower this year due to increased domestic oil production and lower demand, said Darbelnet, who added that the strength of the U.S. economy will have the largest influence on prices this year.

[Jordan inflation accelerates to 4.8 percent in 2012](#)

Economists expect inflation to rise above 6 per cent this year as the lifting of subsidies on gasoline and anticipated rises in electricity costs put upward pressure on prices.

[China consumed 5.5% more electricity in 2012: NEA](#)

Huaihua, Hunan (Platts)- China consumed a total of 4,959.1 billion kWh of electricity in the whole of 2012, up 5.5% year-on-year, according to figures released Monday by the National Energy Administration (NEA).

[Full pipelines to cut into oil producers' profits](#)

CALGARY, Alberta - Canada's independent oil producers may face months of depressed earnings and weak share prices as they jockey for space on the country's over-full oil pipelines.

The independents, companies that focus on producing oil and gas and have no refining or marketing operations, are being squeezed by a shortage of export capacity as rising heavy oil production from the Alberta oil sands strains pipeline capacity, trapping oil in Canada and pushing down prices.

[Shale Gas Will Fuel a U.S. Manufacturing Boom](#)

Chemical producers abandoned the U.S. in droves. Cheap natural gas is luring them back.

[Transocean Says Icahn Acquired 1.6% of Shares, Seeks More](#)

Transocean Ltd., the world's largest offshore rig contractor, said billionaire investor Carl Icahn and his affiliates have acquired a 1.56 percent stake in the company and are seeking to expand that to more than 3 percent.

[Arepo explosion: NNPC begins repairs of pipeline](#)

The Nigerian National Petroleum Corporation (NNPC) on Monday in Abuja condemned the renewed attack on its facilities at Arepo in Ogun.

The News Agency of Nigeria recalls that the System 2B pipeline at Arepo was again vandalised on Saturday barely a month after it was fixed.

This led to an explosion that reportedly killed a number of people.

[Oil Industry Beats Buffett in Railroad Investments Surge](#)

North American energy companies are starting to invest more in railroad terminals than the railroads themselves.

A group of oil and gas pipeline operators led by Plains All American Pipeline LP announced plans just in the past three months to spend about \$1 billion on rail depot projects to help move more crude from inland fields to refineries on the coasts. Warren Buffett's Burlington Northern Santa Fe LLC, the largest U.S. railroad, spent \$400 million on terminals in 2012.

[Libya investment hopes hit by attacks on diplomats](#)

A weekend attack on an Italian diplomat in Libya caused no casualties but dealt a body blow to the government's efforts to woo foreign investors to rebuild the war-ravaged North African country.

[Gazprom's EU Partners Anxious for Price Cuts](#)

Russian energy giant Gazprom is spending billions to expand its already massive footprint in Europe. But it will have to tread carefully at a time when global natural gas supplies are surging and prices are falling, giving European utilities and businesses more leverage in negotiating supply contracts.

[Glance: A look at the facts and figures behind Russian energy giant Gazprom](#)

MOSCOW – Russian energy giant Gazprom is spending billions to expand its already massive footprint in Europe. Born out of the Soviet gas ministry in the rush of Russian privatizations, Gazprom is effectively the country's gas industry, accounting for about 80 percent of the country's natural gas output.

Here are some other facts about Gazprom:

[Saudi king names new governor for restive oil region](#)

(Reuters) - Saudi Arabia's King Abdullah appointed Prince Saud bin Nayef as governor of the oil-producing Eastern Province, the Royal Court said in a statement carried by state news agency SPA on Monday.

The Eastern Province is home to the country's Shi'ite Muslim minority which has held protests over the past two years calling for more rights and the release of jailed relatives.

[Oil tankers stuck at Iraqi-Jordanian border](#)

Three-hundred tankers carrying crude oil are on Iraq's border with Jordan waiting for Baghdad's permission to enter the Kingdom.

[Energised relations between Turkey and the UAE](#)

A growing economy, a stable investment climate and plenty of opportunities to make money in the energy sector. What is true for the UAE is increasingly true for Turkey.

As the similarities grow, investment opportunities in the country on the Bosphorus that connects the European and Asian continents arise, enabling Abu Dhabi to play an increasing role in the energy sector abroad.

[Turkey and hydrocarbons in Iraq](#)

Turkey's energy policy on hydrocarbons, crucial for the fueling of a growing Turkish economy, was given a facelift a few years back with the expectation of Iraq coming back to the oil and possibly gas market. Therefore, Turkey hedged its bets according to good neighborly ties with the Baghdad government and played a key role in bringing about political stability in the country by convincing Sunnis to engage in the political process.

[The Shift Of King Coal](#)

The coal industry still dominates in Appalachia, and that's bad news for the Democratic party.

[Was one ship enough to tow Shell oil drilling rig in Gulf of Alaska?](#)

Shell's assessment of the forecast as favorable was seriously flawed, says Cliff Mass, a University of Washington professor of atmospheric sciences whose specialty is weather forecasting.

The North Pacific and Gulf of Alaska are among the stormiest places on Earth, he said. Forecasts more than four or five days out quickly become unreliable. And even the short-term forecast on Dec. 21 pointed to rough weather coming, Mass said.

[Energy Industry Awaits U.S. Ruling on Prairie Chicken](#)

In a few months, a grouse known as the lesser prairie chicken will emerge from its West

Texas winter hideaway. Males will do a loud and elaborate mating dance, delighting females — and bird-watchers.

But there will be less dancing now, because the chickens' numbers have declined. The United States Fish and Wildlife Service, acting under the Endangered Species Act, will decide by the end of September whether to put the birds on its list of threatened species. Such a move could have serious repercussions for wind farms, as well as oil and gas drilling, conceivably halting activity in some areas. Those industries are fighting to keep it off the list.

[2014 Jeep Grand Cherokee brings a diesel to American SUVs](#)

For more than a decade, automakers have vowed to bring a phalanx of new diesel-powered vehicles to these shores, and for a decade those promises have gone unfulfilled due to a mix of hurdles. Today, Jeep showed off its long-expected diesel expansion with the 2014 Jeep Grand Cherokee, offering 30 mpg on the highway in a sport utility vehicle that can tow 7,400 lbs.

[IEA Sees Shift in Awareness of Renewables in Gulf](#)

Large oil producers in the Gulf are undergoing a shift in awareness to accept renewables as part of the future energy mix, Maria van der Hoeven, Executive Director at the International Energy Agency said Monday on the sidelines of a conference in Abu Dhabi.

Many of the Gulf countries have made ambitious plans for increasing the share that renewables play in their energy mix in recent months.

[Abu Dhabi's Taqa acquires stake in Indian hydroelectric firm](#)

As a gathering of about 30,000 people in Abu Dhabi brings the future of the energy sector into sharp focus this week, UAE companies are exploring opportunities further afield.

Yesterday, the Abu Dhabi National Energy Company, known as Taqa, said it had bought a minority stake in an Indian hydroelectric provider.

[Saudi sovereign wealth fund buys stake in utility firm](#)

The Saudi Arabian sovereign wealth fund Sanabil and the nation's pension agency acquired 19 per cent of ACWA Power International, a company that invests in power and water projects in the kingdom and regionally.

[Greater investment in new energy sought](#)

Energy and finance sector leaders have highlighted the growing opportunities for sovereign wealth funds, development banks and pension funds to invest in the new energy industry, especially in developing economies.

[Greece Sees Gold Boom, but at a Price](#)

IERISSOS, Greece — In the forest near here, bulldozers have already begun flattening hundreds of acres for an open pit gold mine and a processing plant, which Canada's Eldorado Gold Corporation hopes to open within two years. Eldorado has reopened other mining operations around here, too, digging for gold, copper, zinc and lead from nearby hills.

For some residents, all this activity, which promises perhaps 1,500 jobs by 2015, is a blessing that could pump some life into the dismal economy of the surrounding villages in this rural northeast region of Greece.

But for hundreds of others, who have mounted repeated protests, the new mining operation is nothing more than a symbol of Greece's willingness these days to accept any development, no matter the environmental cost. Only 10 years ago, they like to point out, Greece's highest court ruled that the amount of environmental damage that mining would do here was not worth the economic gain.

[Beijing's hazardous pollution sparks Chinese media anger](#)

Chinese media have reacted strongly to dangerous levels of pollution recorded in many northern cities in recent days.

In the capital, Beijing, at the weekend, air pollution soared past levels considered hazardous by the World Health Organization.

The official People's Daily said the smog was a "suffocating siege" which had to be urgently addressed.

[After Years of Discord, California and Nevada Agree on Tahoe Development](#)

SOUTH LAKE TAHOE, Calif. — Deep in the Sierra Nevada, 39 trillion gallons of crystalline water straddles the border between California and Nevada.

That water, Lake Tahoe, can be as smooth as glass, but the politics of land-use planning along the lake's 72-mile shoreline are some of the most contentious and muddled in the country.

[As Texas Bakes in a Long Drought, Water Becomes a Focus for Legislators](#)

Lt. Gov. David Dewhurst and other Republicans proposed tapping an emergency fund that is fed by taxes on oil production to finance the building of new reservoirs and other projects identified in the state's 50-year water plan, an unusual move in a state where fiscal conservatives usually push to streamline government and limit spending.

[The Generator Is the Machine of the Moment](#)

"If you are in the flood zone and you are marketing a new high-end property, it will need to stand up to the test of another superstorm," said Stephen G. Kliegerman, the executive director of development marketing for Halstead Property. "I think buyers would happily pay to be relatively reassured they wouldn't be terribly inconvenienced in case of a natural disaster."

At 150 Charles Street, Mr. Witkoff plans to forestall a blackout by installing two natural-gas-powered generators on the roof to run the fire-alarm system, the emergency egress lighting, the elevators, and electrical and mechanical support equipment. Each apartment will be equipped with at least one electrical outlet connected to the generators. The developer is also ordering five-foot-tall floodgates that can be assembled and installed to encircle the building in a matter of hours. The gates, which fit together like toy Lincoln Logs, are to be stored in the basement.

[Standing mute in the face of climate catastrophe](#)

It's amazing how much more interest was paid to the ridiculous Mayan apocalypse prediction than to last year's ominously growing body of evidence suggesting our planet is teetering on the knife-edge of a mass extinction event as the result of global warming.

Australians do not have to be lectured about global warming.

[Report: Virginia must lead in fighting sea level rise](#)

Virginia needs to get serious about rising sea levels and frequent flooding and take the lead in combatting the problems that threaten the allure of living and doing business on the coast, according to a report distributed this week to state lawmakers.

[Seattle calculates how climate change will redraw its shores](#)

Parts of Interbay, Georgetown, South Park, West Seattle, Harbor Island and Golden Gardens will be under water as the local shoreline creeps higher due to global climate change, Seattle Public Utilities predicts.

A recent map is just one of many such reckonings in the works as city agencies calculate the local effects of global climate change and how to respond and adapt to protect people and infrastructure.

[Rising seas may put \\$300b of property at risk: scientists](#)

Climate scientists are urging Australian authorities - and residents - to prepare for rising sea levels that could put about \$300 billion worth of commercial property, infrastructure and homes at risk.

[Australia's coastal wetlands 'need room to move'](#)

(Phys.org)—As sea levels climb, Australia's coastal wetlands will be increasingly trapped between urban development on land and the rising ocean, imperilling the survival of their unique plants, birds and fish, leading ecologists warned today.

Researchers at the ARC Centre of Excellence for Environmental Decisions (CEED) say Australia's planners and coastal communities need to think up to 100 years ahead to ensure the survival of mangroves, salt marshes, sedge lands and melaleuca swamps and their wildlife.

[UN climate chief praises nations for passing domestic CO2 law](#)

LONDON (Reuters Point Carbon) – Individual nations need to continue to pass domestic legislation to cut emissions of gases blamed for warming the planet if a global climate deal is to emerge in 2015, the U.N.'s climate chief Christiana Figueres said Monday.

[Emissions limits could cut climate damage by two-thirds - study](#)

LONDON (Reuters) - The world could avoid much of the damaging effects of climate change this century if greenhouse gas emissions are curbed more sharply, research showed on Sunday.

The study, published in the journal Nature Climate Change, is the first comprehensive assessment of the benefits of cutting emissions to keep the global temperature rise to within 2 degrees Celsius by 2100, a level which scientists say would avoid the worst effects of climate change.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).